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Ag 84 Pro

It's Good Business

to Protect your

**COTTON**

**Investment**



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U. S. DEPARTMENT OF AGRICULTURE

## Are You Running Unnecessary Risks?



Are you running unnecessary risks in your farming operations? Are you unprotected in the face of hazards that could destroy your cotton crop and leave you with little or nothing to show for a whole season's effort and expenses?

Because of the increased costs of producing crops, these questions are more important today than ever before.

In the old days, the farmer had no choice. The risks were part of his heavy burden, and there was nothing he could do about it. But today he can turn to Federal All-Risk Crop Insurance, which places a loss floor under the cotton crop from planting time until harvest. It assures a return from the time, labor, and money invested in the crop. If bad luck strikes, it substitutes an insurance check for a zero at the end of the cropping season.

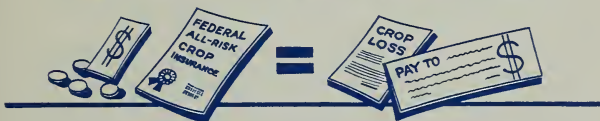
It's *insurance*—*crop* insurance—and it pays off when the farmer's efforts fail . . . from any unavoidable cause—drought, flood, fire, hail, insects, blight, frost—anything beyond the control of man. It's the modern, twentieth-century answer to an age-old question. If your truck is smashed up on the highway, you look to your casualty contract for the damages. If your house burns, or your barn blows away, you fall back on insurance policies covering those risks. It's the normal thing—just a part of the American way of life. When money and effort are concentrated, as in a car, a building, or a crop . . . when there is a chance to lose the whole investment because of an uncontrollable twist of fate . . . the one clear answer has been spelled out in big letters—it's **INSURANCE**.

### **Costs of Modern Farming Run High**

Mechanization and other improved methods have stepped up efficiency in cotton production tremendously. They have also boosted production costs . . . but without doing much to tone down the risks. It

costs more to make a crop today, while the hazards remain about the same. This tightens the squeeze on the farmer through the growing season, when he is at the mercy of the elements. When his efforts come to nothing, he loses a great deal more than he did in earlier days when less costly ingredients—horse-drawn implements, cheaper labor, home-grown seed, and little or no commercial fertilizer—went into the making of a crop. These high production costs emphasize more strongly than ever the need for crop investment protection that a sound insurance program can provide. Crop insurance supplies this protection.

## The "HOW" of CROP INSURANCE



Federal All-Risk Crop Insurance is based on time-tested insurance principles. It is bought and paid for, like other insurance. If a loss occurs, the policyholder gets an indemnity in the form of a check. The losses are adjusted by men specially trained for the work.

If you are a cotton farmer operating in insurable areas of this county you can become a partner in the crop insurance program. If you are a landlord and receive as rental a share of your tenant's cotton crop, you, too, can take part in the program. First you sign an application. If it is accepted, your contract will cover your interest in all the insurable acreage within the county. Losses are settled separately on each insurance unit. You may have one or more such units, depending on the varying degrees of interest and operation.



### Coverage and Premiums

Coverages and premium rates vary within the county depending upon local crop production and risk history. There is no profit motive, however, in the crop insurance program. The coverage will represent a major part of the cost of producing the crop. Premiums are

established at levels designed to take care of the actual loss claims over a period of years. Experience has shown that a sound crop insurance program must be confined to reasonable coverages that stay below the profit line.

Coverage is established in four successive stages on your cotton crop and increases in value as the crop progresses through the growing season.

Premiums are subject to special discounts under certain conditions, thus affording you the opportunity of protection at even lower cost. If, for example, you report your actual seeded acreage promptly and pay the premium before a specified date, your bill is reduced 5 percent. Further discounts can be earned under conditions of favorable, long-range production history on your farm or in your county.

It should be remembered, too, that crop insurance premiums are a part of farm operating costs, and are, therefore, deductible as such for income tax purposes.



## **Where you get CROP INSURANCE**

You can get full details on the Federal Crop Insurance Program and how it fits your individual needs by calling, writing, or visiting your county office. Naturally you want all these facts now, before starting another cotton crop venture.

By signing an application now and getting this important decision behind you, the risk of not being able to sign up at a later date will be eliminated. . . . The only investment is a small addition to your present operating expenses. The comforting feeling, alone—that you are protected, come what may—more than outweighs the cost. So join with your neighbors in this united stand against disaster—today.

Crop Insurance is good business—it's a good policy for you.

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2 U. S. Federal Crop Insurance Corporation